

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate  
and Refine Procurement Policies and  
Consider Long-Term Procurement Plans.

Rulemaking 12-03-014  
(Filed March 22, 2012)

**DECISION GRANTING COMPENSATION TO SIERRA CLUB CALIFORNIA  
FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS 13-02-015, 14-02-040,  
AND 14-03-004**

<b>Claimant:</b> Sierra Club California ("Sierra Club or Club")	<b>For contribution to Decisions</b> D.13-02-015, D.14-02-040, and D.14-03-004
<b>Claimed:</b> \$432,447.50	<b>Awarded:</b> \$351,749.30 (reduced 18.6%)
<b>Assigned Commissioner:</b> Florio	<b>Assigned ALJ:</b> Gamson

**PART I: PROCEDURAL ISSUES**

<b>A. Brief Description of Decision:</b>	<p>The Track 1 Decision (D.13-02-015) authorizes Southern California Edison (SCE) to procure local capacity resources in the LA Basin. It establishes a minimum procurement target of 1400 MW, and a maximum of 1800 MW. The decision requires SCE to procure 150 MW of preferred resources, 50 MW of energy storage resources, and at least 1000 MW of conventional gas-fired resources. The decision limited the procurement of gas-fired resources to 1,200 MW and authorized up to 600 of additional preferred and energy storage resources.</p> <p>Following the Track 1 proceedings, the Track 4 Decision (D.14-03-004) also addressed local capacity requirements in Southern California. It authorizes SCE and San Diego Gas &amp; Electric (SDG&amp;E) to procure energy resources by 2022 due to local capacity needs resulting from the closure of the San Onofre Nuclear Generation Station (SONGS). SCE is authorized to procure 500-700 MW, including at least 400 MW of preferred resources, and SDG&amp;E is authorized to procure 500-800 MW, including</p>
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	<p>at least 200 MW of preferred resources. Both SCE and SDG&amp;E have the option to procure preferred resources for the entire amount authorized.</p> <p>In parallel, the Track 3 Decision (D.14-02-040) reaffirmed the Commission's commitment to California's greenhouse gas goals and the loading order and addressed transparency issues. The decision made change to some procurement rules. For example, it shields departing load from any responsibility for investor owned utilities' (IOUs') stranded costs, adds new definitions for "incremental capacity," "upgraded plants," and "repowered plants."</p>
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**B. Claimant must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

	<b>Claimant</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference:	April 18, 2012	Verified.
2. Other Specified Date for NOI:		
3. Date NOI Filed:	May 18, 2012	Verified.
4. Was the NOI timely filed?		Yes.
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Verified.
6. Date of ALJ ruling:	July 5, 2011 at 8-9	Verified.
7. Based on another CPUC determination (specify):	D.13-10-068 at 2; D.13-12-027, at 1	
8. Has the Claimant demonstrated customer or customer-related status?		Yes.

<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Verified.
10. Date of ALJ ruling:	July 5, 2011 at 8-9	Verified.
11. Based on another CPUC determination (specify):	D.13-10-068 at 3; D.13-12-027 at 2	
12. Has the Claimant demonstrated significant financial hardship?		Yes.
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.14-03-004	Verified.
14. Date of Issuance of Final Order or Decision:	March 14, 2014	Verified.
15. File date of compensation request:	May 13, 2014	Verified.
16. Was the request for compensation timely?		Yes.

**C. Additional Comments on Part I:**

#	Claimant	CPUC	Comment
	Sierra Club		Sierra Club California (“Sierra Club” or “Club”) is a grassroots environmental organization interested in implementing measures to reduce greenhouse gas emissions and increase reliance on renewable energy sources. The Club’s interest in this proceeding is not related to any business interest. The Club receives funding for environmental advocacy from many sources, including philanthropic donations, member contributions and other sources. The Club has entered into agreements with certain residential rooftop solar installers that will likely result in a small amount of additional funding. However, the Club's involvement in the present proceeding is completely independent and unrelated to those small amounts of funding.

**PART II: SUBSTANTIAL CONTRIBUTION**

A. In the fields below, describe in a concise manner Claimant's contribution to the final decision (*see* § 1802(i), § 1803(a) & D.98-04-059).

Contribution	Specific References to Claimant's Presentations and to Decision	Showing Accepted by CPUC
<p>Track 1 CAISO studies overinflate the LCR need. Sierra Club argued that the CAISO's OTC studies overstated need. In particular, CAISO's preferred approach, the Trajectory scenario, significantly overstated need, because the studies made unreasonable policy assumptions about preferred resources. Sierra Club argued that a better approach would be accounting for overlooked preferred resources including those in the environmental sensitivity scenario. Although the Commission used CAISO's trajectory study in the final decision, it refused to adopt CAISO's policy position of zero for certain preferred resources, and adjusted the need number downward for these resources. Although the Commission did not adopt Sierra Club's position of zero need, Sierra Club's made a substantial contribution.</p>	<p>"CAISO's high LCR need proposal suffers from multiple flaws. First, CAISO uses unrealistic input assumptions to justify a higher than necessary LCR need. CAISO then asserts that uncommitted energy efficiency and CHP as well as incremental demand response should not be considered for local reliability purposes. CAISO zeros out all three of these categories. CAISO's policy decision to count these resources as zero for LCR need, but then still argue that these resources are important for the system undermines CAISO's credibility." Opening Brief of Sierra Club California on Track 1 Issues ("Track 1 Op. Br."), at 6-7. <i>See also</i> Track 1 Op. Br., at 1, Summary of Recommendations, Nos. 1-4; Reply Brief of Sierra Club California on Track 1 Issues, at 2-4.</p> <p>Sierra Club and other groups "all contend that the ISO local capacity methodology should not have excluded significant amounts of uncommitted energy efficiency, CHP, demand response and energy storage. D.13-02-015, at 29.</p> <p>"CAISO presents the Commission with only two options from which to determine LCR need: the CAISO recommendation and the sensitivity</p>	<p>Yes, but duplicative.</p>

	<p>study. CAISO aggressively advocates for its LCR study, but as discussed above, of the two options the sensitivity study more realistically recognizes that preferred resources play a significant role in reducing LCR need. Thus, the sensitivity study is the better starting point--albeit still overly conservative--for the LCR need analysis." Track 1 Op. Br, at 20.</p> <p>"We agree with the ISO, SCE and others that the Trajectory scenario is appropriate for determining LCR needs. However, we have determined herein that it is appropriate to reduce the ISO forecasts to account for the likelihood that 828 MW of uncommitted energy efficiency and CHP will exist, and that at least 200 MW of locally-dispatchable demand response will exist. D.13-02-015, at 65.</p> <p>D.13-02-015, at 118.</p> <p>D.13-02-015, Findings of Fact #16, at 121.</p> <p>D.13-02-015, Finding of Fact #28, at 123.</p> <p>D.13-02-015, Finding of Fact #31, at 123-24.</p>	
<p>Adherence to the Loading Order Sierra Club argued that the Loading Order required that any LCR need should account for the preferred resources not counted by CAISO, and should not allow an over procurement of conventional gas-fired generation. In addition, any LCR need identified in Track 1 should be met with preferred resources, in compliance with the Loading Order. In the final decision, the Commission included additional preferred resources that were not</p>	<p>"Sierra Club contends that the ISO's models 'turn the Loading Order upside down by creating a framework that favors conventional generation over preferred resources.'" D.13-02-015, at 76; see (Track 1 Op. Br, at 5 ["CAISO's recommendations endorse the procurement of natural gas plants to meet this need . . . ."].)</p> <p>"If a LCR need is found, the LCR need should be met by scrupulous compliance with the loading order and California's other clean energy policies.</p>	<p>Yes, but duplicative.</p>

<p>modeled in CAISO's studies. In addition, while it did allow procurement of conventional resources, it authorized, for the first time, required procurement of 150 of preferred resources and the potential additional procurement 600 MW.</p>	<p>There is no dispute that the loading order is the ultimate energy policy for the state." Track 1 Op. Br, at 26; see also at 26-28, 13-16.</p> <p>"By assuming higher levels for these resources than the ISO, we are promoting the policies of the Loading Order, and reducing the anticipated LCR need."D.13-02-015, at 78.</p> <p>"At least 150 MW of capacity must be procured through preferred resources consistent with the Loading Order in the Energy Action Plan, or energy storage resources. SCE is also authorized to procure up to an additional 600 MW of capacity from preferred resources and/or energy storage resources." D.13-02-015, at 2.</p>	
<p>Demand response used to reduce LCR need</p> <p>Sierra Club argued that CAISO's failure to include demand response in the modeling was unreasonable. Sierra Club asserted that it was reasonable to count reductions from existing demand response programs, and to expect that future programs would reduce LCR demand.</p> <p>The Commission found that even though the ISO did not study the impact of demand response on local capacity requirements, demand response will still likely be an important resource moving forward. The Commission included an assumption of 200 MW of demand response, which was lower than what Sierra Club advocated, but it set the important precedent of including demand response in LCR need calculations rather than adopting CAISO's proposal of zero.</p>	<p>"The PD recognizes that, contrary to ISO assumptions, energy efficiency and distributed generation will affect LCR need in the LA Basin, but does not apply the same logic to its discussion of demand response. The PD should reflect the fact that demand response is currently in operation in the LA Basin, is expected to grow, and will affect LCR need in the area." Sierra Club Comments on Proposed Decision Authorizing Procurement for Local Capacity Requirements, at 7</p> <p>"CAISO's sensitivity analysis also fails to consider estimates of future demand response resources in the LA Basin." Track 1 Op. Br, 21, see also at 10-11, 20-22.</p> <p>"We agree with parties who contend that demand response resources are likely to be able to provide capabilities which should reduce LCR needs recommended by the ISO...it is reasonable to assume that some amount of demand response resources will be</p>	<p>Yes, but duplicative.</p>

	<p>located in the LA basin, be locally dispatchable, and available to meet LCR needs by 2020.” D.13-02-015, at 55. Justification for addition of 200 MW of dispatchable demand: “[s]ince there appears to be at least 100 MW of demand response in the most effective locations now in the LA Basin (and 549 MW of total demand response resources now in that area), by 2020 it is likely that the actual amount available to reduce LCR needs in the LA Basin will be significantly higher.” D.13-02-015, at 56.</p> <p>D.13-02-015, at 65, 66</p> <p>D. 13-02-015, Findings of Fact #17-18, at 121.</p> <p>D. 13-02-015, at 128, Conclusion of Law #7.</p>	
<p>Using energy efficiency assumption in CAISO’s environmental scenario as a basis for reducing local capacity need determination. Sierra Club argued that the assumptions used in the sensitivity analysis were appropriate and based on reliable estimates from state agencies. The Commission agreed that the sensitivity analysis provided a reasonable estimate of uncommitted energy efficiency.</p>	<p>“CAISO’s critique of the state agencies’ proposed assumptions used in the sensitivity analysis should be dismissed as unreasonable.” Track 1 Op. Br, at 14.</p> <p>Commission agrees that uncommitted energy efficiency estimate in the sensitivity analysis should reduce LCR need. D.13-02-015, at 51.</p> <p>D.13-02-015, Finding of Fact #29, at 123.</p>	Yes.
<p>Uncommitted energy efficiency used to reduce LCR need Sierra Club challenged CAISO’s assertion that uncommitted energy efficiency was not reliable and that it should not be included in the trajectory scenario. The Commission agreed that uncommitted energy efficiency can reasonably be included in energy efficiency estimates.</p>	<p>“Uncommitted EE should be included in planning exercises, and should be analyzed as a potential strategy for decreasing LCR need...the California Energy Commission [CEC] defines uncommitted EE as EE programs that are ‘reasonably expected to occur.’” Opening Brief of Sierra Club California on Track I Issues, at 15.</p> <p>“We have no doubt that the California</p>	Yes, but

<p>The Commission included 100% of uncommitted energy efficiency.</p>	<p>Public Utilities Commission, CEC and federal programs and standards incorporated into uncommitted energy efficiency amounts will occur, as these are already in place. We find that amounts of uncommitted energy efficiency in programs and standards already approved by this Commission and other agencies, but not yet in the demand forecast used by the ISO, should result in adjustments to demand forecasts for the purpose of authorizing LCR procurement levels.” D.13-02-015, at 48-49.</p> <p>Commission includes uncommitted energy efficiency as a resource that can reduce need. D.13-02-015, at 65.  <b>D.</b> 13-02-015, Findings of Fact #14-16. at 121.  <b>E.</b>  D. 13-02-015, Conclusion of Law #6 at 127.</p>	<p>duplicative.</p>
<p>Combined heat and power (CHP) used to reduce LCR need  Sierra Club challenged CAISO’s rationale for excluding uncommitted CHP from its LCR analysis.  The Commission included 100% of the uncommitted CHP in the sensitivity study. This inclusion, along with the uncommitted energy efficiency estimated, lowered LCR need by approximately 800 MW. As a result, the Commission found that the ISO procurement recommendations were higher than necessary.</p>	<p>Sierra Club cites a report commissioned by the California Energy Commission that details projected CHP growth of 1.5 GW in California through 2020. Sierra Club also argued that CAISO’s witness, Mr. Sparks, was overly conservative and ignored state policy goals when he dismissed CHP growth. Track 1 Op. Br, at 15.</p> <p>“[I]t is reasonable to assume that some amount of uncommitted CHP will come to fruition in the LA basin local area before 2021...As with uncommitted energy efficiency, we are convinced that the ISO should have included some projection of uncommitted CHP into its models.” D.13-02-015, at 59.  Commission inclusion of all uncommitted CHP. D.13-02-015, at 65-66.</p>	<p>Yes, but duplicative.</p>



	<p>D.13-02-015, Findings of Fact #19-21, at 122.</p> <p>D.13-02-015, Conclusion of Law #6 at 127.</p>	
<p>50 MW energy storage requirement remaining in the final decision</p> <p>Sierra Club supported the Commission's inclusion of a first of a kind energy storage procurement of 50 MW. The Commission kept the 50 MW energy storage requirement even after receiving dissenting opening and reply comments from parties.</p>	<p>"The 'modest' 50 MW energy storage procurement is an essential start to integrating energy storage into the California electric system." Reply Comments of Sierra Club California on Proposed Decision Authorizing Procurement for Local Capacity Requirements, at 4; see also Opening Comments on PD at 5 and fn. 15. D.13-02-015, at 62.</p> <p>The Commission also edited Conclusion of Law #9 (formerly Conclusion of Law #7) to explicitly mention energy storage, as recommended by Sierra Club: "Up to 600 MW of capacity may be from preferred resources or energy storage resources (in addition to resources already authorized or required to be obtained via Commission decisions in energy efficiency, demand response, RPS, energy storage and other relevant dockets), subject to the maximum procurement level." D.13-02-015, at 128 (emphasis added); cf. Opening Comments on PD, at 4-5 and fn. 15.</p>	<p>Yes, but duplicative.</p>
<p>Highlighting the consequences of over-procurement</p> <p>While CAISO and other parties argued that under-procurement was a greater threat to California than over-procurement, Sierra Club explained the serious consequences that over-procurement would have on our energy system, our environment, and public health. The Commission agreed with many of those concerns and included</p>	<p>Track 1 Op. Br, p. 12; Reply Brief, at 13-15.</p> <p>"Over-procurement entails risks of excessive costs and unnecessary environmental degradation. It is not possible to quantify whether the risks of over- or under-procurement are greater." D.13-02-015, Finding of Fact #7, at 120.</p> <p>"A maximum LCR procurement level</p>	<p>Yes.</p>

them in the Findings of Fact of the final decision.	will protect ratepayers from excessive costs resulting from potential over-procurement." D.13-02-015, Finding of Fact #32, at 124.	
<p>Development of factual record during cross-examination</p> <p>The Sierra Club cross-examined 7 witnesses during evidentiary hearings. These witnesses represented PG&amp;E, CAISO, and SCE. Facts elucidated during these cross-examinations contributed to the record and were cited in D.13-02-015.</p>	<p>The following excerpts from the decision cite cross-examination by William Rostov, representing the Sierra Club:</p> <p>"The Trajectory scenario forecasts a need for 2370 MW in the LA basin local area, which Sparks rounds up to 2400 MW." D.13-02-015, at 21.</p> <p>"Sparks testified that it is necessary to begin the procurement process for 2021 local capacity needs in 2013 'to ensure we don't forgo the best options, and also to make sure that the options that are available are actually feasible.'" D.13-02-015, at 22.</p> <p>"ISO witness Millar agrees that if reliability needs are met through natural gas generation, but more distributed generation occurs than the ISO forecasts, this would increase ratepayer costs (although he contends 'that is a consequence of having to move forward in the face of uncertainty.')" D.13-02-015, at 37-38.</p> <p>"However, [Millar] testified that 'we don't know' if energy storage can meet ISO technical characteristics in the next ten years." D.13-02-015, at 61.</p> <p>"The ISO does not assume any particular technology would be required to fill the local capacity needs, according to ISO witness Sparks: 'As long as the resources are in the location where they are needed in these local areas, and they have characteristics of gas-fired generation, I don't believe the ISO has a preference on exactly what type of resources.'" D.13-02-015, at 73-74.</p>	<p>Yes, but duplicative. These hours should have been attributed to an issue.</p>

	<p>“Referring to distributed generation, Sparks suggested that further study would be needed ‘to the extent that some of these nonflexible resources are very large, and these large magnitudes are meeting local needs...we would probably need to study all seasons and all load levels to ensure the system can continue...to reliably operate.” D.13-02-015, at 74.</p> <p>“SCE estimates that it would take anywhere from one to two years after today’s decision before SCE can submit an application to the Commission with final LCR procurement contracts for Commission approval, after procurement solicitations, bilateral negotiations and studies for preferred resources.” D.13-02-015, at 92.</p>	
<p>Track 4 CAISO’s study overestimates LCR need.</p> <p>The Sierra Club argued that record demonstrated that the LCR need should be zero or significantly lower than the result of CAISO’s model, due to overly conservative assumptions about preferred resources, energy storage, transmission, and the demand forecast. Sierra Club also argued that SCE’s preferred resources scenario, when revised to include the Mesa Loop-In, showed that there was no need in the SONGS area.</p> <p>Although the Commission based its procurement authorization on CAISO’s studies, the decision does consider adjustments to the study results.</p>	<p>“Although the modeling using these assumptions cannot be rerun, the Commission can make changes to the need analysis on the back-end, similar to the approach in Track 1 where certain resources were subtracted from the need projected by the modeling.” Post-Hearing Opening Brief of Sierra Club California in Track 4 (“Track 4, Op. Br.”) at 4; see also at 3-17.</p> <p>“In its Track 1 decision, the Commission increased estimates for EE and CHP resources in response to overly conservative CAISO estimates, and should do the same for DR and PV in this track.” Reply Brief of Sierra Club California in Track 4, at 10; see also at 9-12.</p> <p>“In this decision, we evaluate potential modifications to the ISO’s study results. The ISO agrees that its study results do not include a number of supply and demand considerations that would</p>	<p>Yes, but duplicative.</p>

	<p>reduce the total LCR need.” D.14-03-004, at 28.</p> <p>In discussing preferred resources, energy storage and transmission, solutions, the Commission stated that “at least some of which are reasonably likely to be procured in the SONGS study area by 2022 outside of this procurement proceeding . . . . We find that it is unreasonable to assume that none of these resources will be procured and able to meet local reliability needs in the SONGS service area by 2022. D.14-03-004, at 70. D.14-03-004, at 79.</p>	
<p>Promoting use of preferred resources to meet any identified need in the SONGS area.</p> <p>Sierra Club argued that if any need were identified in the SONGS area, it could be met by preferred resources. Sierra Club asked for an RFO focused on preferred resources only, to ensure that preferred resources are procured. Sierra Club noted that the procurement authorization proposed by SCE could unfairly benefit conventional resources.</p> <p>By providing all-source RFOs for SCE and SDG&amp;E, the Commission acknowledged the importance of preferred resources being able to fairly compete to meet need in the SONGS area. The decision contained a procurement authorization that allowed utilities to procure 100% preferred resources to meet need, and required that SCE and SDG&amp;E procure at least 400 MW and 200 MW of preferred resources, respectively.</p>	<p>“The unexpected retirement of the San Onofre Nuclear Generating Station (“SONGS”) has prompted calls for building new gas-fired power plants as replacement generation. New gas plants are extremely costly, would exacerbate the region’s air pollution and corresponding impacts to public health, and would undermine California’s climate targets by replacing a carbon-free energy source with carbon-intensive generation. . . . Because eliminating fossil fuel generation is an important component of improving the notoriously poor air quality in the Los Angeles Basin, the State, when considering potential replacements for SONGS, should first examine the best available information on the need for new generation and then identify clean energy solutions to meet that need.” Track 4, Op. Br., at 1-2; see also at 26-27.</p> <p>Sierra Club and other parties “urge that any procurement authorized by the Commission should include preferred resources only.” D.14-03-004, at 87.</p> <p>“If the SDG&amp;E request is granted as is,</p>	<p>Yes, but duplicative.</p>

	<p>SDG&amp;E can potentially fill its “supposed” LCR need with about 900 MW of natural gas in total. The Commission should not sanction such a result, which is inconsistent with the Track 1 decision. Although SCE has put forward the laudable Living Pilot to procure preferred resources, SCE is also requesting to design its Track 4 authorization in a manner that would make natural gas plants more competitive. This is contrary to the Commission holding in the last LTPP that requires maximum use of preferred resources to comply with the loading order.” Reply Brief of Sierra Club California in Track 4, at 20; see all at 18-20.</p> <p>In testimony given during Sierra Club cross-examination, SCE witness Cushnie states that a procurement authorization of 500-700 MW would allow gas fired resources to compete with some MW available for preferred resources, while a smaller procurement authorization would advantage preferred resources. Reporter’s Transcript, Vol. 13, at 1969, ln. 8 – 1970, ln. 4.</p> <p>“Parties including Sierra Club . . . share a concern that if the Commission adopts SCE’s procurement proposals, only gas-fired resources will win, regardless of SCE’s intent to pursue preferred resources solutions. These parties recommend that the Commission, if it authorizes any additional Track 4 LCR procurement, require the utilities to first seek to satisfy that additional need with preferred resources. D.14-03-004, at 109.</p> <p>“Assuming SCE pursues a least-cost/best-fit approach to the increased discretionary portion of</p>	
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	<p>procurement authority<sup>192</sup> (the additional 500 – 700 MW), it is likely that SCE would procure mostly gas-fired resources if such resources are less costly than preferred resources. From a ratepayer perspective, this may be beneficial; however, the Loading Order calls for prioritization of cost-effective preferred resources, in some cases even if they are more expensive than other resources.</p> <p>We will modify SCE’s proposal to ensure that SCE procures a higher percentage of authorized resources from preferred resources and energy storage. For SCE (and SDG&amp;E as delineated below), we will not require any specific incremental procurement from gas-fired resources. This means that all incremental procurement as a result of this decision may be from preferred resources.” D.14-03-004, at 93</p> <p>D.14-03-004, at 2, 92-93, 112.</p> <p>D.14-03-004, Conclusion of Law #3, at 135.</p> <p>D.14-03-004, Conclusions of Law #42, 44, at 140</p>	
<p>Demand response resources should reduce LCR Need.</p> <p>Sierra Club argued that 1,000 MW of second contingency demand response should have been included in CAISO’s modeling and that alternatively at least the demand response resources identified by SCE witness Silsbee should reduce LCR need.</p> <p>The Commission rejected Sierra’s Club’s second contingency argument, but found that the DR resources identified by SCE do serve as a “directional indicator” to</p>	<p>“Even if the Commission decides not to factor the entire 997 MW of DR . . . into the final decision, some portion of those resources greater than the first contingency resources modeled by CAISO should be included, as exemplified in SCE’s need analysis. SCE witness Silsbee stated that SCE, like CAISO, found the second contingency concept to be challenging; unlike CAISO, however, SCE chose to model some demand response resources when assessing need.” Track 4 Op. Br., at 10; see at 8-11.</p>	<p>Yes, but duplicative.</p>

<p>suggest that the full amount of need identified in the ISO studies was too high.</p>	<p>“We will not modify the ISO’s LCR analysis based on ‘second contingency’ demand resources. However, the expectation of over hundreds of MWs of ‘second contingency’ demand response resources identified by the revised Scoping Memo cannot be disregarded. SCE’s model assumed that some of this demand response would be available to meet LCR needs.” D.14-03-004, at 57.</p> <p>“We do find that there is a reasonable likelihood that more demand response resources will be available for such purposes in the future. While we cannot quantify the LCR effect of such potential demand response resources, we conclude that it is reasonable to consider this potential as a directional indicator. In other words, this gives us more confidence that it is not necessary at this time to authorize the utilities to procure all of the resources indicated to be necessary in the ISO’s study.” D.14-03-004, at 58.</p>	
<p>Energy storage resources should reduce LCR Need. Sierra Club argued that the energy storage required under the recent energy storage decision should be a factor in reducing LCR need. The Commission did not directly discount the procurement, but it did recognize that the energy storage decision makes it more likely that the procurement authorization should be less than the total need identified in the ISO studies.</p>	<p>“The Decision in Track 4 Should Account for the Commission’s Energy Storage Mandates.” Track 4, Op. Br, at 11-14; see also Opening Comments of Sierra Club California on ALJ Gamson’s Questions from the September 4, 2013 Prehearing Conference, at 8-10.</p> <p>“While we cannot quantify the LCR effect of potential energy storage resources, we conclude that it is reasonable to consider this potential as a directional indicator. In other words, this gives us more confidence that it is not necessary at this time to authorize the utilities to procure all of the resources indicated to be necessary in the ISO’s study.” D.14-03-004, at 61 D.14-03-004, Finding of Fact #50, at 129.</p>	<p>Yes, but duplicative.</p>

	D.14-03-004, Conclusion of Law #21, at 137.	
<p>New demand forecast lowers LCR need</p> <p>The CEC released an updated demand forecast during Track 4, which showed a decrease in projected future energy demand. Sierra Club argued that, based on this forecast, the Commission should decrease LCR need in the SONGS area.</p> <p>The Commission found that the updated demand forecast was another “directional indicator” showing that the need identified in the ISO studies is likely too high.</p>	<p>Opening Comments of Sierra Club California on ALJ Gamson’s Questions from the September 4, 2013 Prehearing Conference, at 7.</p> <p>Track 4 Op. Br., at 15-16.</p> <p>“We find based on the record that updates to the demand forecast are reasonably likely to lower LCR needs. Without quantifying the LCR effect of such potential demand response resources, we conclude that it is reasonable to consider this potential as a directional indicator. In other words, these factors give us more confidence that it is not necessary at this time to authorize the utilities to procure all of the resources indicated to be necessary in the ISO’s study.” D.14-03-004, at 36; <i>see also</i> at 34-36.</p>	Yes.
<p>Energy efficiency assumptions in SDG&amp;E territory should be adjusted.</p> <p>Sierra Club argued, as did other parties, that since the entire SDG&amp;E service area is also the San Diego local capacity area, the Commission should have required the use of the mid-case energy efficiency estimate.</p>	<p>“Finally, the Commission should have required use of the mid case estimate of energy efficiency for the SDG&amp;E service territory, since the San Diego local area is the entire SDG&amp;E territory. While SDG&amp;E used the mid case estimate in its need analysis, CAISO used the Commission’s assumptions. Adjusting the Commission’s assumption would add an additional 152 MW of energy efficiency resources.” Track 4, Op. Br, at 8.</p> <p>D.14-03-004, at 63. (Commission agrees that the mid-level energy efficiency estimate should have been used in modeling for theSan Diego area.)</p>	Yes, but duplicative.
<p>Distributed generation assumptions</p> <p>Sierra Club, like CEJA, argued that distributed generation resources were not fully accounted for in the modeling assumptions, and</p>	<p>“Distributed generation (DG) resources can and should play a significant role in meeting need created by the SONGS retirement, but the Track 4 studies neglect to consider programs that</p>	Yes, but duplicative.



<p>that including all pertinent DG programs would reduce need. The Commission agreed that solar PV will increase, but it could not determine its effect on LCR need.</p>	<p>provide a total of 522.8 MW to 1540.4 MW of DG to the system.” Track 4 Op. Br., at 14-15.</p> <p>“It is likely that Commission programs and the marketplace will increase the amount of solar PV in the future...” D.14-03-004, Finding of Fact #55, at 129.</p>	
<p>Load shedding reduces LCR need. Sierra Club argues that load shedding as a short-term solution would prevent over-procurement of conventional generation while allowing time for development of preferred resources, energy storage, and transmission solutions. It also states that load shedding should be an option for utilities, in contrast to other parties who believe that load-shedding is not an acceptable strategy under NERC and WECC guidelines. The Commission agreed that load shedding can be an appropriate option in the short term and reduces the LCR need based on this finding.</p>	<p>Other parties “and Sierra Club all question the decision of the ISO, SDG&amp;E and SCE not to consider the use of an SPS to mitigate the SONGS contingency in the absence of more complete information about the costs, benefits risks and affordability of relying on the SPS.” D.14-03-004, at 39 (citing inter alia Exhibit SC-1 (Powers), at 1-11.)</p> <p>“CAISO’s testimony focused on load shedding as a long-term planning tool and argued strenuously that it should not be considered. However, CAISO recognized that load shedding could be a short-term bridge.” Track 4 Op. Br., at 22; see also Exhibit SC-1 (Powers), at 2. “Sierra Club supports DRA’s recommendation that load shedding be used a bridge will allow the preferred resources and transmission to develop.” Track 4 Op. Br, at 25-26.</p> <p>“The crux of the issue before us regarding load shedding is whether we should at this time authorize additional procurement to achieve the level of reliability the ISO recommends: Sufficient resources to mitigate a specific, but unlikely, N-1-1 contingency in the SDG&amp;E territory.” D.14-03-004, at 44.</p> <p>“[W]e see the likelihood that the procurement of preferred resources as authorized herein (and as acquired through other means) will develop</p>	<p>Yes, but duplicative.</p>

	<p>sufficiently over time to mitigate the need for further resources, so that the SPS in the SDG&amp;E territory can be lifted and reliability at an N-1-1 contingency level can be maintained. In addition and/or alternatively, transmission solutions such as the Mesa Loop-In may mitigate the need for further resources.” D.14-03-004, at 46.</p> <p>“[W]e conclude that it is reasonable to subtract a conservative estimate of 588 MW from the ISO’s forecasted LCR need because our policy decision entails a certainty that resources will not be procured at this time to fully avoid the remote possibility of load-shedding in San Diego as a result of the identified N-1-1 contingency.” D.14-03-004, at 46-47.</p> <p>D.14-03-004, Findings of Fact #21-26, 29-30, at 125-26.</p> <p>D.14-03-004, Conclusions of Law #10-12, at 136.</p>	
<p>Transmission solutions will reduce LCR need.</p> <p>Sierra Club argued that the Commission should consider the Mesa Loop-In and other transmission solutions in its calculation and alternatively that the decision should be delayed until CAISO finished its transmission studies. At first, CAISO itself also recommended waiting for the outcomes of those studies. While the Commission did not delay the decision, it did find that the likelihood of future transmission solutions makes a lower procurement authorization possible.</p>	<p>“SCE’s preferred resources scenario, which is most consistent with the loading order, and the construction of the Mesa Loop-In provide the basis for denying any new procurement for SCE... Additionally, if the Commission makes a procurement decision on the current record, it should include the reductions from the Mesa Loop-In.” Track 4 Op. Br., at 19.</p> <p>“CAISO still stands by its position that the 2013/2014 Transmission studies will illuminate the procurement picture... The Commission should not authorize new resources when there is time to make a more informed judgment in the subsequent iteration of the LTPP or in a continuation of this track next year.” Track 4 Op. Br., at 18; see also Track 4 Op. Br., at 25-26.</p>	Yes.

	<p>Prepared Opening Testimony of Bill Powers on behalf of Sierra Club California (Exhibit SC-1), at 13, 16.</p> <p>“We find that there is a reasonable possibility that at least one of the transmission solutions examined by SCE and SDG&amp;E will be operational by 2022. The least complex of these projects is the Mesa-Loop-In project, which is therefore the most likely to meet this timeframe.” D.14-03-004, at 52-53.</p> <p>D.14-03-004, Findings of Fact #39-40, at 127.</p> <p>D.14-03-004, Finding of Fact #44, at 128.</p> <p>D.14-03-004, Conclusion of Law #17, at 137.</p>	
<p>Reactive power is not an issue. Sierra Club presented testimony and documented other evidence that showed that reactive power was not an issue that needed to be addressed.</p>	<p>“For example, although all of the reactive power issues have not been consistently modeled, the evidence in the record shows that there will be sufficient voltage support to replace SONGS.” Track 4 Op. Br., at 18.</p> <p>Exhibit SC-1 (Powers), at 12-16</p> <p>“The record in the proceeding shows that there are sufficient resources to provide VAR support in the SONGS study area without further action at this time.” D.14-03-004, at 33 and fn. 41.</p> <p>During Sierra Club cross, SCE witness Chinn testifies that sufficient reactive power exists. Reporter’s Transcript, Vol. 13, at 2048, line 19 – 2050, line 12.</p>	Yes.
<p>11. The Commission relies on CAISO for determination of Category C vs. Category D. Sierra Club provided testimony that the N-1-1 contingency was the functional equivalent of Category D event which would require less procurement authorization. The Commission rejected this, but</p>	<p>“On cross examination, witness Powers claims the overlapping outage of SWPL and Sunrise is a ‘functional’ Category D because SDG&amp;E could ‘convert it from a Category C to a Category D’ using the WECC process followed by SDG&amp;E in evaluating the performance criteria of the Sunrise route alternatives.”</p> <p>D.14-03-004, at 47.</p>	Yes.

clarified that the Commission would rely on CAISO transmissions studies for making Category C and Category D determinations.	Commission will modify certain input assumptions from CAISO, but will rely on the CAISO transmission studies that determine the category contingencies. D.14-03-004, at 48.	
Track 3 Maximum limit on gas-fired generation Sierra Club argued that the Commission should set a maximum limit on procurement of fossil fuels to encourage compliance with the Loading Order. The Commission stated its support of the Loading Order and its expectation that utilities would procure preferred resources wherever possible.	Opening Comments of Sierra Club California on Track III Rules Issues, at 1. Comments of Sierra Club California on Track 3 Rules, at 1. "Parties such as Sierra Club call for maximum procurement levels for fossil-fuel resources or minimum procurement levels for preferred resources. We are committed to goals related to GHG reduction and to the Loading Order prioritization of preferred resources (energy efficiency, demand response and renewable resources) over fossil-fuel resources. There are a number of proceedings which seek to implement statutes, policies and goals in these important areas...We reiterate this exhortation to the utilities and continue to expect every reasonable effort to meet or exceed environmental goals, consistent with reliability and cost." D.14-02-040, at 11-12.	Yes.
Departed load should be accounted for in bundled plans Sierra Club asserted that IOUs should forecast and plan for a reasonable amount of departing load in their bundled plans. The Commission agreed.	"The bundled plans should plan and account for a certain amount of departing load. This is consistent with the Track II decision of the 2010 LTPP that held IOUs should adopt realistic assumptions related to community choice aggregation and direct access customers." Opening Comments of Sierra Club California on Track III Rules Issues, at 5.  California Environmental Justice Alliance's and Sierra Club California's Comments on the Track III Proposed Decision, at 3.	Yes.

	<p>“Sierra Club recommends that the bundled plans should plan and account for a certain amount of departing load.” D.14-02-040, at 15.</p> <p>“We agree with the concept expressed by most parties that the IOUs should plan for reasonable amounts of departing load in their bundled plans and then only procure for the assumed amounts of retained bundled load.” D.14-02-040, at 16.</p>	
<p>Repower valuation should not be changed</p> <p>Sierra Club argued that the Commission should recognize the role that upgrades play in the system, particularly to the extent they serve as a short term bridge that allows more preferred resources to be procured. It did not see a need for any changes in the valuation of fossil fuel plant repowers. Sierra Club argued that adding energy storage to a facility should be valued based on the benefits that storage offers to the system.</p> <p>The Commission agreed that there was no need for changes in the valuation of repowers, but deferred any changes to upgrades. It acknowledged the benefits of energy storage but found that there was too little information to make a decision about valuation at this time.</p>	<p>“Repowers of fossil fuel plants should not be valued differently... [E]nergy storage should be valued for the additional benefits that it can provide to the system that are not typically valued in the current RFO process, and that are environmentally and operationally superior to the performance of natural gas plants.” Opening Comments of Sierra Club California on Track III Rules Issues, at 12 (April 26, 2013).</p> <p>“As the responses indicate, this is a complex issue. At this time, we find it to be unnecessary or premature to decide on any new or different valuation for repowers or upgrades in long-term RFOs. In particular, as the energy storage industry develops further, it may be appropriate to develop new valuation rules for such technologies. But we have too little knowledge or information about this fledgling industry to come to any conclusions at this time.” D.14-02-040, at 33.</p>	Yes.
<p>Procurement rules should promote greater transparency</p> <p>Sierra Club advocated for greater transparency in the procurement rules, including improving the QCR</p>	<p>“Sierra Club believes agencies with regulatory obligations with respect to IOUs, such as CAISO and the Energy Commission, as well as the public, should have access to significant</p>	

<p>process.</p>	<p>information about mid-term and other procurement contracts. D.14-02-040, at 20.</p> <p>The Commission “intend[s] to promote greater reporting of the information that the Commission regularly collects from the utilities, either as aggregate or in specific when advisable. . . . [I]n this decision we articulate a plan to reform certain data requesting guidelines, with an eye towards aggregating data via the quarterly compliance reports (QCRs) and reporting out that data in ways that are consistent and usable, while protecting market sensitive information.” D.14-02-040, at 24.</p> <p>“Sierra Club argues that creating mechanisms that reduce the ability of the Commission and the public to review action approved by the Commission reduces the Commission’s ability to provide effective oversight.” D.14-02-040, at 39.</p> <p>CEJA and the Sierra Club agree with the PD’s proposed Conclusion of Law that “[i]t is in the public interest to promote greater reporting of the information that the Commission regularly collects from the utilities regarding procurement activities . . . to the extent that confidentiality is not compromised.” This finding reflects comments made by Sierra Club, CEJA and other stakeholders emphasizing the need for increased information sharing with the public about forward procurement activities while using existing mechanisms to protect confidential information.” California Environmental Justice Alliance’s And Sierra Club California’s Comments On The Track III Proposed Decision, at 4-5.</p>	<p>Yes, but duplicative.</p>
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	<p>Sierra Club and other parties support a public process to improve the utilities QCR process. California Environmental Justice Alliance's And Sierra Club California's Reply Comments On The Track III Proposed Decision, at. 3; see also California Environmental Justice Alliance's And Sierra Club California's Comments On The Track III Proposed Decision, at 6-8.</p> <p>"We adopt a public process for QCR revisions. . . . Within 90 days of the effective date of this decision, the utilities shall jointly file a Report in R.13-12-010 with recommended modifications. Energy Division staff will then conduct workshops with stakeholders." D.14-02-040, at 65.</p>	
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**B. Duplication of Effort (§§ 1801.3(f) & 1802.5):**

	<b>Claimant</b>	<b>CPUC Verified</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?<sup>1</sup></b>	<b>Yes.</b>	Verified.
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	<b>Yes.</b>	Verified.
<b>c. If so, provide name of other parties: California Environmental Justice Alliance ("CEJA"), Natural Resources Defense Council and other Environmental Intervenors, and TURN.</b>		Verified.
<b>d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</b>  During the proceeding, the Club coordinated most closely with CEJA. Both the Club and CEJA were very active participants in the proceeding		

<sup>1</sup> The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>and often shared similar positions. We conferred on most if not all issues during the proceeding. Typically, our briefs presented different approaches/perspectives on the same goals which resulted in a fuller presentation of the issues and stronger decisions in large, complicated case; we coordinated to ensure that our work was complementary. Where it was possible to coordinate, in terms of timing and mutuality of position, Sierra Club and CEJA filed joint documents, as in Track 3. In addition, given the multitude of parties, two similar but unique voices from the environmental community provided an important balance to other interests in the proceeding. Sierra Club also coordinated with NRDC on energy efficiency issues. When our positions were the same, Sierra Club would often cite to NRDC's testimony, comments, or brief on these issues. During Track 4, Sierra Club participated in multi-party coordination calls with environmental and ratepayer advocates. Also, during the course of the two-year proceeding, the Club met with a cross section of the parties either in formal meetings or after workshops and hearings.</p> <p>The Club coordinated throughout the proceeding with ORA. In Track 1 and Track 3, the coordinated with ORA's attorney primarily by phone but also discussed case matters at the hearings and pre-hearing conferences. Based on the relationship developed during Track 1, Sierra Club coordinated much more closely with ORA in track 4. In addition to phone coordination on the main substantive issues, Sierra Club, ORA and CEJA served multiple joint data requests on SCE and SDG&amp;E and filed a joint motion on reactive power. It is important to note that Sierra Club's and ORA's position were divergent at times during the proceeding.</p>	<p>Verified, but duplication still occurred.</p>
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**C. Additional Comments on Part II:**

#	Claimant	CPUC	Comment
1	Sierra Club		Attachment 2 lists the merits documents filed in Track 1, 3 and 4.

**PART III: REASONABLENESS OF REQUESTED COMPENSATION****A. General Claim of Reasonableness (§§ 1801 & 1806):**

<p><b>a. Concise explanation as to how the cost of Claimant's participation bears a reasonable relationship with benefits realized through participation</b></p> <p>The Club's main objective in the proceeding was to advocate for a</p>	<p><b>CPUC Verified</b></p>
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transition to clean energy grid and strict adherence to the loading order with the ultimate long-term goal of transforming California's energy sector into a zero emissions sector. Although we are still far away from that ultimate goal, the more short-term approach has been to advocate for no new procurement of fossil-fuel generation while promoting use of preferred resources and energy storage to fill LCR need. This took the form of advocating for better counting of preferred and energy storage resources as well as transmission resources. Although Sierra Club did not fully achieve its ultimate goals of no new fossil fuel generation, the authorization of need in the LTPP took a dramatic turn in the 2012 LTPP, where for the first time the Commission authorized the procurement of preferred resources and energy storage resources along with conventional fossil-fuel generation. In addition, the Commission set a maximum limit on the amount of conventional generation that could be procured.

The SONGS shutdown necessitated that Track 4 follow on the heels of Track 1. Track 4 maintained the same approach to creating procurement buckets and assuring that additional preferred and storage resources would be procured as a result of Track 4, an additional 400 MW for SCE and 200 MW for SDG&E. Although the ultimate procurement authorizations in both Tracks were much higher than Sierra Club had advocated, Sierra Club participation contributed to both the Track 1 and 4 decisions reducing the LCR need amount that resulted from CAISO's study. In Track 4, in addition to arguing about the merits of preferred and energy storage resources for meeting LCR need, Sierra Club also presented testimony about load shedding and transmission which also served to reduce need. Through the decisions in Track 1 and Track 4 that the Commission has begun to steer procurement towards a cleaner energy system.

Similarly, in Track 3, Sierra Club advocated and contributed to procurement policies that emphasized and supported the loading order and the reduction of fossil fuel generation. Additionally, Sierra Club contributed to the outcome regarding the allocation of costs of departing load and some transparency issues.

The Club's participation in this proceeding will result in benefits to ratepayers that exceed the cost of participation. Although these benefits are not quantifiable, the Commission's establish need authorization below the results of CAISO models directly reduces the costs to ratepayers. Moreover, the Club's fee request is miniscule in comparison to the tens of billions of dollars in procurement that this type of proceeding often authorizes. Additionally, the Club's advocacy on behalf of aggressive implementation of the State's clean energy and environmental goals will benefit the ratepayers over the long-term because California's environment will reap the public benefits intended by these laws.

Verified.

**b. Reasonableness of Hours Claimed.**

This was a complex, two-year proceeding that addressed a large number of issues in four tracks that involved two sets of contested hearings and several workshops and pre-hearing conferences. Sierra Club was an active participant throughout the proceeding on both substantive issues as well procedural issues.<sup>2</sup>

Sierra Club leanly staffed the proceeding primarily with one attorney, William Rostov and one research policy and analyst, Adenike Adeyeye. Building on his participation in the 2010 LTPP, William Rostov was Sierra Club's lead attorney who developed and shaped strategy, drafted Sierra Club's papers, cross-examined witnesses, participated in hearings, workshops and pre-hearing conferences. Adenike Adeyeye, a 2011 of the master program at the Yale School of Forestry researched programs that could affect LCR need and the factual positions of other parties, assisted in preparing cross-examination provide valuable insight, ensured the accuracy of comments, briefs and testimony and with Mr. Rostov's direction drafted initial sections of briefs and comments. Due to her excellent research and writing skills, Ms. Adeyeye's work product was at level significantly higher than her level of experience would predict. Her contributions, in addition, to Mr. Rostov's effort allowed Sierra Club to have quite extensive briefs and comments that thoroughly covered the topics on which Sierra Club advocated.

Sierra Club focused on its major objectives and tailored its comments, briefs and cross-examination to those issues. In addition, the Club focused on legal, policy, and factual issues that related to its area of expertise, California's clean energy and environmental laws. In Track 1, the Club did not present testimony but rather focused on the cross-examination of the CAISO and SCE witnesses. This was particularly important because the LTPP has entered uncharted territory where for the first time, the Commission was evaluating CAISO's local capacity modeling over ten year period rather than its typical use of one-year. Moreover, CAISO testimony presented novel policy issues about how to count preferred resources. In Track 4, Sierra Club built on the expertise it developed in litigating similar issues in Track 1 and provided expert testimony on load shedding, reactive power, other transmission issues, and preferred resources assumptions. Sierra Club's expert, Bill Powers, worked for a rate that is seventy-five dollars less than his highest Commission approved rate.

Verified.

<sup>2</sup> See Attachment 2 to claim for a list of merits documents that Sierra Club filed in Tracks 1, 3 and 4.

<p>Mr. Rostov reviewed all of Sierra Club's hours and in the exercise of billing judgment reduced the claim by hundreds of hours for tasks that he deemed excessive, redundant, or for tasks for which Sierra Club does not seek an award. For example, Sierra Club eliminated all billing for Ms. Adeyeye's attendance at the Track 1 hearings to prevent double counting. In the Track 3 hours Sierra Club eliminated all time related to its argument that the Bagley-Keene Act/Procurement Review Group arguments which is currently subject to motion for rehearing.<sup>3</sup> Additionally, the Club did not request compensation for Robert Freehling, a Sierra Club expert, who spent some time working on all three of the Tracks. Sierra Club did not claim the time of an associate attorney who worked on issues at the end of the proceeding, including the comments on the Track 3 and 4 proposed decisions. Sierra Club is also not requesting compensation for any its time in Track 2.4 As described above, Sierra Club coordinated with ORA and CEJA on multiple data requests and a joint motion in Track 4 which further reduced Sierra Club's compensation request.</p>	
<p><b>c. Allocation of Hours by Issue</b></p> <p>For ease of reference, Sierra Club allocated issues by Track. Sierra Club has one general category not related to an individual Track that involves general work at the beginning of the proceeding including comments on the initial scope and the first prehearing conference, Category A.</p> <p>For Track 1, Sierra Club allocates the time into five categories: 1. CAISO OTC Study Has Too High of a Need Number; 2. Preferred Resources Should be Adequately Counted; 3. The Commission Should Adhere to the Loading Order; 4. Hearings, Meetings, and Coordination. 5. Developing the Case, Initial Review of Testimony, Discovery, Drafting Cross, Misc. Motion Practice and Procedural Issues</p> <p>For Track 4, Sierra Club allocates the time into five categories: 1. There Is No Need/ Alternatively Use Preferred Resources; 2. Preferred Resources Assumptions; 3. Load Shedding SPS, Reactive Power, and Transmission Issues, 4. Hearings, Meetings, Coordination, and Joint Discovery with CEJA and ORA, and 5. Developing the Case, Initial Review of Testimony,</p>	<p>Verified.</p>

<sup>3</sup> Sierra Club reserves the right to submit this time, if Sierra Club prevails on its motion for rehearing.

<sup>4</sup> Sierra Club may claim some of this Track 2 time in 2014 LTPP compensation request, because Track 2 was not resolved in this proceeding.

Discovery, Misc. Motion Practice and Procedural Issues

For Track 3, Sierra Club allocates the time into four categories:

1. Affirmation of California's Greenhouse Gas Policies and Loading Order; 2. Departing Load; 3. Transparency Issues; and 4. Coordination.

**Allocation Percentages**

Category A	\$9,216.00	2.19%
(Track 1) Category 1	\$51,593.00	12.26%
(Track 1) Category 2	\$35,764.00	8.50%
(Track 1) Category 3	\$25,449.50	6.05%
(Track 1) Category 4	\$27,963.50	6.64%
(Track 1) Category 5	\$24,604.00	5.85%
(Track 3) Category 1	\$11,822.50	2.81%
(Track 3) Category 2	\$1,396.00	0.33%
(Track 3) Category 3	\$11,245.00	2.67%
(Track 3) Category 4	\$2,378.00	0.56%
(Track 4) Category 1	\$50,040.00	11.89%
(Track 4) Category 2	\$61,398.50	14.59%
(Track 4) Category 3	\$61,428.50	14.59%
(Track 4) Category 4	\$40,140.50	9.54%
(Track 4) Category 5	\$6,463.00	1.54%
<b>Total</b>	<b>\$420,902.00</b>	<b>100.00%</b>

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
William Rostov	2012	332.3	360	D.13-12-027	\$119,628.00	273.74 <sup>[A][c]</sup> <sub>1</sub>	\$360.00 <sup>5</sup>	\$98,546.40.00
William	2013	459.2	390	See Comment	\$179,088.00	379.6 <sup>[A][c]</sup>	\$385.00 <sup>6</sup>	\$146,146.50

<sup>5</sup> Approved in D.13-12-027

<sup>6</sup> Application of first 5% step increase and 2.0% Cost of Living Adjustment approved in Res. ALJ-287.

**PROPOSED DECISION**

Rostov				1				
William Rostov	2014	72	410	See Comment 2	\$29,520.00	59.59 <sup>[A]</sup>	\$415.00 <sup>7</sup>	\$24,729.85
Adenike Adeyeye	2012	153.2	130	See Comment 3	\$19,916.00	126.9 <sup>[A]</sup>	\$130.00 <sup>[B]</sup>	\$16,497.00
Adenike Adeyeye	2013	320.2	135	See Comment 3	\$43,227.00	265.16 <sup>[A]</sup>	\$135.00 <sup>8</sup>	\$35,796.60
Adenike Adeyeye	2014	34.2	140	See Comment 4	\$4,788.00	28.36 <sup>[A]</sup>	\$145.00 <sup>9</sup>	\$4,112.20
Bill Powers	2013	156.9 <sup>10</sup>	150	See Comment 5	\$24,735.00	130 <sup>[A]</sup>	\$150.00 <sup>11</sup>	\$19,500.00
Subtotal: \$ 420,902.00						Subtotal: \$345,328.10		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Bill Powers	2013	8	75	Travel Costs	\$600.00	8	\$75.00	\$600.00
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
William Rostov	2014	38.8	205	See Comment 6	\$7,954.00	19.4 <sup>[D]</sup>	\$207.50	\$4,025.50
Adenike Adeyeye	2013	8.2	67.5	See Comment 6	\$553.5	4.1 <sup>[D]</sup>	\$67.50	\$276.75
Adenike Adeyeye	2014	43.4	70	See Comment 6	\$3,038.00	21.7 <sup>[D]</sup>	\$70.00	\$1,519.00
Subtotal: \$						Subtotal: \$5,821.25		
11,545.50								

<sup>7</sup> Application of second 5% step increase and 2.58% Cost of Living Adjustment approved in Res. ALJ-303.

<sup>8</sup> Application of 2.0% Cost of Living Adjustment approved in Res. ALJ-287.

<sup>9</sup> Application of first 5% step increase and 2.58% Cost of Living Adjustment approved in Res. ALJ-303.

<sup>10</sup> Reduced by 8 hours for travel time on October 30, 2013.

<sup>11</sup> Approved in D.15-01-044

TOTAL REQUEST: \$ 432,447.50		TOTAL AWARD: \$351,749.30	
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants, and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer’s normal hourly rate.</p>			
Attorney	Date Admitted to CA BAR <sup>12</sup>	Member Number	Actions Affecting Eligibility (Yes/No?)  If “Yes”, attach explanation
William Rostov	December, 1996	184528	No

**C. Attachments Documenting Specific Claim and Comments on Part III:**

<b>Attachment or Comment #</b>	<b>Description/Comment</b>
Comment 1	Rostov's 2013 rate includes a requested 5% step increase pursuant to D.08-04-110 and a 2% COLA pursuant to Resolution ALJ-287. (360 x 5% rounded to nearest 5\$ = 380, 380 x 2% rounded to nearest 5\$ = 390). This would be Rostov's first 5% step increase.
Comment 2	Rostov's 2014 rate includes a requested 5% step increase pursuant to D.08-04-110. (390 x 5% rounded to nearest 5\$ = 410). This would be Rostov's second 5% step increase. The COLA for 2014 has not yet been established. Sierra Club requests that the COLA be incorporated into rate after it has been established.
Comment 3	<p>Adenike Adeyeye works as a Research and Policy Analyst in Earthjustice's California Regional Office, a non-profit public interest law firm dedicated to protecting the magnificent places, natural resources, and wildlife of this earth, and to defending the right of all people to a healthy environment. Earthjustice receives no compensation for its representation and will only receive compensation for its services based on the award of intervenor compensation.</p> <p>Adeyeye holds a BA in Environmental Studies from Yale University in 2007 and a Masters in Environmental Management from the Yale School of Forestry and Environmental Studies in 2011 (attachment 8). She has worked on PUC proceedings including the 2012 Long Term Procurement Planning and Energy Storage proceedings since March 2012. She falls within the 0-6 year range for experts. Sierra Club requests the minimum in the range for both 2012 and 2013.</p>

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<sup>12</sup> This information may be obtained at: <http://www.calbar.ca.gov/>.

Comment 4	Adeyeye's 2014 rate includes a requested 5% step increase pursuant to D.08-04-110. (135 x 5% rounded to nearest 5\$ = 140). The 2014 rate chart has not been released, if the minimum rate increases. Sierra Club requests that the 5% step increase be applied to that rate. In addition, Sierra Club that the COLA for 2014 also be applied to this rate.
Comment 5	Mr. Powers charges Sierra Club \$150 per hour for his work on Track 4. Pursuant to D.08.04.010 (at. 6-7) Sierra Club uses this rate. This rate is seventy-five dollars less than Mr. Powers' 2010, Commission approved rate of \$225 in D.11-03-025.
Comment 6	Mr. Rostov's and Ms. Adeyeye's compensation preparation rates are based on half of their rates.
Attachment 1	Certificate of Service
Attachment 2	List of Merits documents filed on behalf of Sierra Club in Track 1, 3, 4
Attachment 3	Timesheets of William Rostov and Adenike Adeyeye (Track 1)
Attachment 4	Timesheets of William Rostov and Adenike Adeyeye (Track 3)
Attachment 5	Timesheets of William Rostov, Adenike Adeyeye and Bill Powers (Track 4)
Attachment 6	Summary of Sierra Club California Hours
Attachment 7	Timesheets of William Rostov and Adenike Adeyeye (Compensation Claim Preparation)
Attachment 8	Adenike Adeyeye Resume

**D. CPUC Disallowances and Adjustments:**

<b>Item</b>	<b>Reason</b>
A	Reductions of 25% for duplicative contribution on Track 1, Category 1, 2, and 5; Track 3, Categories 1 and 3; and Track 4, Categories 1 and 2. Reduction of 50% for duplicative contribution on Track 1, Category 3. Total reduction of 16.2% for all hours claimed.
B	Sierra Club requests a rate of \$130 per hour for work done by Adeyeye in 2012. Adeyeye is a policy analyst, with experience working in other Commission procurement proceedings. Adeyeye has a Masters degree from the Yale School of Forestry and Environmental Studies. The Commission finds reasonable a rate of \$130 per hour for work done by Adeyeye in 2012.
C	Reductions for administrative hours and tasks which did not contribute to Sierra Club's participation. Rostov's hours are reduced 0.8 hours in 2012 for lunch on August 10, 2012 and early arrival at hearings on August 14, 2012. Rostov's 2013 hours reduced 0.8 hours for meeting scheduling.
D	Reduction for excessive hours spent completing intervenor compensation claim. All hours are reduced by 50%.

**PART IV: OPPOSITIONS AND COMMENTS**

**Within 30 days after service of this Claim, Commission Staff  
or any other party may file a response to the Claim (see § 1804(c))**

<b>A. Opposition: Did any party oppose the Claim?</b>	No.
<b>B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?</b>	Yes.

**FINDINGS OF FACT**

1. Sierra Club California has made a substantial contribution to D. 13-02-015, D. 14-02-040, and D. 14-03-004.
2. The requested hourly rates for Sierra Club California's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$351,749.30.

**CONCLUSION OF LAW**

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

**ORDER**

1. Sierra Club California shall be awarded \$351,749.30.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall pay Sierra Club California their respective shares of the award, based on their California-jurisdictional electric revenues for the 2013 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning July 27, 2014, the 75<sup>th</sup> day after the filing of Sierra Club California's request, and continuing until full payment is made.



3. The comment period for today's decision is waived.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>		<b>Modifies Decision?</b> No
<b>Contribution Decision(s):</b>	D13-02-015, D14-02-040, D14-03-004	
<b>Proceeding(s):</b>	R1203014	
<b>Author:</b>	ALJ Gamson	
<b>Payer(s):</b>	Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company	

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier</b>	<b>Reason Change/Disallowance</b>
Sierra Club California	05/13/2014	\$432,447.50	\$351,749.30	n/a	Duplication.

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
Adenike	Adeyeye	Expert	Sierra Club California	\$130	2012	\$130
Adenike	Adeyeye	Expert	Sierra Club California	\$135	2013	\$135
Adenike	Adeyeye	Expert	Sierra Club California	\$140	2014	\$145
Bill	Powers	Expert	Sierra Club California	\$150	2013	\$150
William	Rostov	Attorney	Sierra Club California	\$360	2012	\$360
William	Rostov	Attorney	Sierra Club California	\$390	2013	\$385
William	Rostov	Attorney	Sierra Club California	\$410	2014	\$415

**(END OF APPENDIX)**